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FM AIT TAIPEI
TO SECSTATE WASHDC 2717

UNCLAS AIT TAIPEI 001359

SENSITIVE

C O R R E C T E D C O P Y - SENSITIVE CAPTION ADDED

SIPDIS

STATE FOR EAP/TC, PM/DTCC AND ISN/MTR

PM/DTCC FOR BLUE LANTERN COORDINATOR RACHAEL-THERESE S. JOUBERT-LIN
E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [TW](#)

SUBJECT: TAIWAN: RESULTS OF BLUE LANTERN BROKER CHECK NO. K-1385

REF: STATE 99591

1. (SBU) Summary: Per reftel request, AIT/T Econoff and FN visited Vichem Company, Ltd. and interviewed Vichem President Mark Hsu, husband of Vichem Chairwoman Tai Wen-min, and Mr. Rocky Pong, Senior Manager. Ms. Tai was not available for the interview. End summary.

2. (SBU) Vichem was established in 1990, and registered as a U.S. broker in September 2006. The company has seven employees.

3. (SBU) According to the Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs (MOEA), Vichem is registered as a trading company. The company's registration information, including the company address and contact numbers, is identical to the reference stated in paragraph three of reftel.

4. (SBU) Vichem serves as a representative for several companies brokering products primarily for communications and electronics systems. Mr. Hsu stated all of Vichem's customers are in Taiwan. The company's major business comes from the Taiwan military, including the Marine Corps, Army, and the Chung Shan Institute of Science and Technology (CSIST).

5. (SBU) Besides being the sole agent of U.S.-based ITT Corporation's Communication Systems Division, Vichem is also a representative for Canada-based Ultra Electronics, Norway-based COMROD, France-based ATDI, South Korea-based LIG NEX1 Co., Ltd., and Taiwan's Optotech Co.

6. (SBU) After contracts are signed between the mother companies and Taiwan's end users, Vichem is responsible for receiving, inspecting, and delivering parts to the end users. Items of a small scale are stored in Vichem's office space. The company does not have warehouse or formal storage area for parts it receives, as its facilities are limited in size. If a contract includes items of a larger scale, Vichem stores them in a Taiwan Customs' warehouse for a few days before delivering them to customers.

6. (SBU) All the contracts are processed in the government-to-government Financial Management Service (FMS) channel. Therefore, Vichem is not involved in contract paperwork.

7. (SBU) Both Mr. Hsu and Mr. Pong understand the basic limitations dictated in the USML regulations, but depend primarily on the U.S. company it represents to identify specific, relevant regulations for each contract.

8. (SBU) Neither AIT nor its Taiwan law-enforcement sources has derogatory information in its files concerning Vichem Company or Ms. Tai Wen-min

Stanton